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AUTHOR Jefferson, Anne L.
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ABSTRACT

Factors for discrepancies between budgeting ideals and actual implementation are discussed. The basic problem lies in the different orientations of budget establishers and implementors, or between product and process, which results in a separation of productivity and resource allocation issues. A recommendation is that the budgeting process must allow for creativity to encourage the successful merging of the what (productivity) and the how (resource allocation). (6 references). (LMI)

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THE EDUCATIONAL BUDGET: ITS INTENT VS REALITY

by

Anne L. Jefferson, Ph.D.
Associate Professor

Faculty of Education
University of Ottawa
Ottawa, Ontario
Canada K1N 6N5

(Phone: 1-613-564-5018)
(Fax: 1-613-564-9098)

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The Educational Budget: Its Intent vs Reality

In the operation of an organization, the product is viewed as the justification for existence. Consequently, those involved in the production process must be engaged with the what is to be delivered along with the how of the delivery. It is the melding of the what and how that is essential for successful production, and some may even claim for efficient and effective production.

Oftentimes this melding, or degrees thereof, can be judged through the budget. As stated by Irvine (1970), the budget "is in itself merely a quantified plan for future activities" (p. 7). It is the blueprint that reflects the reasoning for subsequence actions taken within the organization. Furthermore, as with any blueprint, as one proceeds in its implementation and encounters flaws in the reasoning because of unforeseen circumstances that would, if not corrected, lead to a less than desirable product or even a flawed product, the original design is appropriately adjusted. In this way, the budget becomes an ideal mechanism to

not only allow one to make the judgment on how successful the production process has been but also an ideal mechanism for the melting of the what and how.

Because one is constantly checking that the blueprint (the budget) remains a viable plan of action for desired ends, the what and how are viewed and acted upon as one. The divergence from this conceptual working of the budget in reality however, specifically within the operating context of educational institutions, is rampant with the frustration of those involved in the production process becoming more vocal. For example, Hentschke (1988) in a microview of budgetary theory and reality claims that budgetary practice "rules out all but the most marginal decisions about improved instructional programming" (pp. 311-312). This separation of the what of the productivity issue from the deployment of resources represents a level of neglect that those involved in the former are increasingly unwilling to accept. Perhaps the statement by the Manitoba Teachers' Society best captivates the educational scenario from the perspective of those who are asked and expected to work with the decided resource deployment.

> The greatest liability befalling public school finance models applied in Manitoba during the 1980s has been the expectation that funding devices could perform successfully in isolation from a sound operational context or consideration of educational program delivery and costing. (MTS, 1989, pp. 98-99)

One explanation for this slippage from the ideal of the budget as a blueprint for the melding of the concerns for what is to be produced and the resources allocated is that the establishers of the budget operate from the premise that political, social, and financial concerns are the dictates of the budget and thus the measure of success of the organization's product. Assuming this explanation to be reflect reality then the subsequent budget and blueprint of the melding of the what and how is accordingly reflective and there is no divergence from the ideal. Implementors of this budget operating from a dominant premise that the budget must be regulated according to academic concerns will obviously have an unease and level of frustration with the actions of the establishers. However, the frustration of the implementators is better directed at an acknowledged difference of definition of the what than at the

operation of the budget. At the same time, it is reasonable to question whether the differing orientations of the establishers and implementors of the budget is enough to severely disrupt the ideal working of the budget.

Oftentimes, there is no reason to assume that because X dollars must be spent on Y that how Y is incorporated into the overall operation of the organization has also been determined. The only thing that normally must be honored is that this dollar allocation must accompany Y. Therefore, the allocation of academic concerns to a less dominate role in the establishment of the budget envelope is done with reasonably good conscious. The establishers of the budget not being as close as the implementors to the product production have put in place a budget that reflects the greater environment that the organization must operate within while at the same time enhancing the flexibility of expenditures that implementors of the budget envelope have. To this end, the establishers of the budget have addressed their agenda while enhancing the maneuverability of the implementors so that they can address their dominant agenda. In

this way, imperfections of the budget envelope have been acknowledged and conpensated for, at least to a reasonable projection.

The differing agendas that is given attention does breed a level of discontent and frustration among interested actors, as demonstrated earlier in this paper, but the exaggeration of such emotion is disquieting. Why has the reality of the budgeting process become so alien from the conceptualization of such a process? To guide our quest to answer this question, let us start from a vantage point offered to us by Hirst (1989) -- One way to change one's emotion about things is to change one's understanding of the situation.

The frustration often experienced, and now frequently voiced as well, by individuals and groups at the so called receiving end of the budgeting process emanate possibly from an unwillingness to operate from a more conciliatory position. By conciliatory I mean the tendency to have one's action motivated from a position of unity with all levels of the organization as opposed from a we-they orientation. Working more from the latter orientation elicits an emotion

exemplied earlier in this paper. Consequently, the motives of the establishers of the budget are assumed rather than substantiated. Furthermore, any mismatch of the what and how conveniently lies at the feet of the establishers alone. This posturing of blame does little to lessen existing discontent.

Let me then take you through the budgeting process by way of a different set of lenses. In this way I offer you, the reader, an alternative vantage point from which to understand the reality of the melding that has or has not occurred. Although the focus for my lenses will be educational organizations, the occurences are not so unique that other types of organizations can not also benefit from the journey. Each note of illustration is readily substituted with one from a different type of organization with its own operating mandate for the production process.

One of the major contentions about the budgeting process is that what is required to be achieved within the bounds of the organization is sacrificed for ends at the boundary line of the organization and its greater environment. However, rather than seeing one as a scarifice for the other, this practice is perhaps

the result of the establishers assuming that the implementors of the budget envelope rate academic issues of the same importance as funding issues in the allocation of resources for defined purposes. Furthermore, it is reasonable to assume the corollary that the implementors are best able to bring clarity to the defined purposes. From this operating premise, an equal and integrated rating would be assured for academic concerns and such concerns would rise above their second-rate position during the establishment of the budget envelope. How close are the two set of issues rated? The American Association of School Administrators' survey (1988) reveals that school superintendents perceived funding issues as the most important issue facing public schools in the next five years. Curriculum and instruction issues were ranked a distant fifth (behind staffing issues, social issues, and school reform issues; student-centered issues ranked a close sixth). Furthermore, respondents viewed funding for curriculum development as only a special problem that needed to be given attention. Here special meant something beyond mainstream funding concerns. Sykes (1988) in addressing issues of higher

education state that: "Asked to describe the mission of his school, a vice chancellor of a Big Ten university listed five separate areas of responsibility: economic development, service to the state, the creation of new knowledge, training graduate students. And, finally dead last: teaching" (p.29). Obviously the assumption was not operating. The funding priorities that had determined the budget remained the dominant priority in working within the budget envelope. Thus, the mismatch between the identified use of resources and institutional mandate was further pronounced with this erosion of the operating assumption.

A budget envelope promised on financial considerations in almost isolation of academic considerations has led to implementors of the envelope adopting a similar stance of operation. The budget envelope became the bottom line, the end to be met during the fiscal year rather than a means to an end. The blueprint characteristics that supposely was operative in the budget had been replaced with granite. The accusation that academic concerns were wanting during deliberations which yielded the budget envelope could just as easily be directed at the implementors

(and voice behind the accusation) of the budget envelope.

This stance of the implementors is also evident when the implementor is the organization relating to a significant external body who is the establisher of the budget. Instead of taking the lead in the bringing together the resources to be allocated and the academic mandate of the institution, educational institutions (the implementors in this instance) have abdicated leadership and become merely mechanical instruments in putting in place decisions made elsewhere. Decisions premised on the assumption that such abdication would not occur. The tone of the Council of Ontario Universities brief (1989) to the Provincial Government of Ontario typifies the predisposition described above:

> Does the government want the universities to invest their limited resources in a smaller number of students? The supplementary funding that was provided for additional enrolment in the past two years would suggest that it does not. Nor does this appear the public preference, since application figures from secondary school students are being sustained at last year's record high level. (p. 7)
>
> Does the government want the universities to gear down their research efforts, while also crying for heightened relevance, and economic and scientific competitiveness? (p. 8)
>
> Does the government want the universities to

> return to an ivory tower mentality and retreat from the life of the province? Or are the universities to turn in the opposite direction and market themselves in all ways that will enhance resources? (p. 8)

To beseech the establishers to address questions of such fundamental importance to the implementors without direction only heightens the tension between the two. It is only reasonable to assume that the parity of agendas sought by the implementor becomes less, rather than more, likely when such parity operationally means the recognition of one agenda that is more comprehensive in the concerns given attention.

Our lenses thus reveal a situation that in many ways has evolved through a refusal, denial, or otherwise of one of the major motivating factor for the acknowledged shortfall of the melding process. Instead of working as a device whereby what is to be accomplished by the institution (its mandate) is carefully shaped in unison with questions of how to allocate resources, the budget and the process in establishing the budget has become viewed by the implementors more of a wedge between the what and how rather than a melting point of the two.

The mentality that said we must operate within a framework dictated by others neglected to check and verify the substance that created the mold. The budget mold allowed a greater degree of creativity and it is this delinquency in creativity that has help to generate the "mismatch" and prevent the successful melding of the what and how. This is not to ignore situations of extreme retrenchment whereby the maneuverability within a given budget envelope is more fiction than otherwise.

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